

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CARDINAL UTILITIES,	)	
INC. FOR A RATE ADJUSTMENT PURSUANT TO	)	CASE NO. 89-336
THE ALTERNATIVE RATE FILING PROCEDURE	)	
FOR SMALL UTILITIES	)	

O R D E R

On September 7, 1990, the Attorney General of the Commonwealth of Kentucky ("Attorney General"), by and through his Utility Rate and Intervention Division, moved the Commission to rehear and/or reconsider its Order entered herein on August 31, 1990. In support of his motion, the Attorney General stated that in its Order of August 31, 1990, the Commission had indicated that the record showed commercial customers to be more costly to serve than residential customers. The Attorney General requests the Commission to either reduce the rates of residential ratepayers to reflect the lower cost of serving that class or to order Cardinal Utilities, Inc. ("Cardinal") to supplement the record with evidence showing that commercial ratepayers are more costly to serve, which evidence he requests the Commission to consider in modifying the rate design it previously approved. By motion filed on September 14, 1990, Intervenor Action, Inc. joined the Attorney General's motion to rehear and/or reconsider.

The Commission's Order of August 31, 1990, stated only that, at the hearing in this matter, Cardinal's president had suggested that a significantly higher share of any rate increase be

attributed to Cardinal's commercial customers.<sup>1</sup> The Order noted that Cardinal represented that it would submit evidence to substantiate the higher cost of serving commercial customers, but that Cardinal failed to provide any such evidence. Consequently, there is no evidence of record which indicates that the revenue increase attributable to residential ratepayers is, in fact, too high. The evidence of record supports the Commission finding that Cardinal's existing rate design should remain in place.

Lacking any evidence in the record upon which to support a modification of the rate design in this case, the Commission cannot grant the petitioners' motion to reduce the rates for residential ratepayers. The petitioners alternatively request that the Commission order Cardinal to supplement the record of this case with evidence to support its statement regarding the cost of serving commercial ratepayers. The petitioners are, in effect, asking the Commission to conduct discovery which should have been conducted months ago. This rate proceeding was filed on November 2, 1989. The Attorney General, as the representative of the ratepayers of the Commonwealth, had close to 10 months to conduct discovery on the issue he now addresses for the first time on rehearing.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that there is no new evidence in the record to warrant either reconsideration of its

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<sup>1</sup> Cardinal had not proposed changing its rate design in its application.

Order of August 31, 1990 on the issue of rate design, or to warrant ordering Cardinal to supplement the record with evidence which may or may not exist, and which it has previously promised, but failed, to provide.

IT IS THEREFORE ORDERED that the motion of the Attorney General and Action, Inc. to rehear and/or reconsider the Commission's Order of August 31, 1990 be and it hereby is denied.

Done at Frankfort, Kentucky, this 24th day of September, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director